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FILED 11/04/09  
2009 NOV -4 AM 11

CLERK  
U.S. BANKRUPTCY COURT  
S.D. DIST. OF CALIF.

Attorneys for  
TIFFANY L. CARROLL,  
ACTING UNITED STATES TRUSTEE

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF CALIFORNIA

In re:

TESLA GRAY,

Debtor-in-Possession.

Case No.: 08-10753-LA11

DECLARATION OF SHANNON VENCILL  
IN SUPPORT OF UNITED STATES  
TRUSTEE'S MOTION TO CONVERT OR IN  
THE ALTERNATIVE APPOINT A  
CHAPTER 11 TRUSTEE

Date: December 10, 2009

Time: 2:00 pm

Dept: 2

Room: 118

Judge: Hon. Louise DeCarl Adler

I, Shannon Vencill, declare as follows:

1. I am a paralegal specialist employed by the United States Trustee for the Southern District of California. I have personal knowledge of the facts stated herein, and could competently testify thereto if called as a witness to do so.

2. I reviewed the docket in the above referenced case. According to my review of the Docket, the Court entered an Order on the Joint Motion for Withdrawal of Debtor's Objections to Involuntary Petition and for Entry of an Order for Relief under Chapter 11 (11 U.S.C. § 303) (the "Order for Relief"). Attached hereto as **Exhibit 1** is a true and correct copy of the Order for Relief.

VENCILL DECLARATION IN SUPPORT OF UST MOTION

1       3.       On September 22, 2009, I was present and observed the continued § 341(a) Meeting  
2 of Creditors (the "Second Meeting") in the above referenced case. Haeji Hong, trial attorney for  
3 the Office of the United States Trustee, presided. Tesla Gray, the Debtor-in-Possession (the  
4 "Debtor"), appeared with her counsel and testified. Attached hereto as **Exhibit 2** is a true and  
5 correct copy of the recording of the Second Meeting.

6       4.       The Debtor testified that her father, Ray Gray, provided information for the Schedules  
7 and Statement of Financial Affairs. *See* Exhibit 2 at 26:53-26:59; 1:33:21-1:33:27 (referencing  
8 Ray Gray and Linda Gray as father and mother).

9       5.       The Debtor testified that she provided no information other than her signature for the  
10 Schedules and Statement of Financial Affairs. *See* Exhibit 2 at 27:30-28:11.

11       6.       The Debtor testified that she invests in real estate and is a hair stylist. *See* Exhibit 2  
12 at 29:23-29:35.

13       7.       The Debtor testified that her father managed her business affairs by locating the real  
14 property, handling her finances, and advising what the Debtor should do with the property. *See*  
15 Exhibit 2 at 30:00 – 30:28.

16       8.       The Debtor further testified that her mother and father kept books and record and  
17 handled bank accounts, checks, reconciliations, account payables, and account receivables. *See*  
18 Exhibit 2 at 30:35-30:58.

19       9.       The Debtor also testified that her parents do not live with her and that they maintain  
20 such books and records at their residence. *See* Exhibit 2 at 36:30-36:47.

21       10.      The Debtor testified that she maintains only her personal accounts at her residence  
22 and has no books and records relating to her real estate investments. *See* Exhibit 2 at 36:48-  
23 37:40.

24       11.      The Debtor testified that in order to manage her affairs, she relies upon her father and  
25 her father's knowledge. *See* Exhibit 2 at 31:24-31:38.

26       12.      The Debtor further testified that she has not written a single check without discussing  
27 with her father. *See* Exhibit 2 at 31:41-32:04.

1 13. When asked about her investment in 112 Acres, Harmony Grove ("Harmony Grove  
2 Property"), the Debtor testified that her father found the property and believed it would be a  
3 good investment for the Debtor. *See* Exhibit 2 at 32:50-33:04.

4 14. When asked about documents relating to the Harmony Grove Property, the Debtor  
5 testified that she could not recall what documents she signed. *See* Exhibit 2 at 33:21-33:27.

6 15. The Debtor further testified that her father explained the terms and conditions relating  
7 to the investment of the Harmony Grove Property. *See* Exhibit 2 at 33:50-34:00.

8 16. When asked how much the Debtor paid in downpayment for the Harmony Grove  
9 Property, the Debtor testified she did not know and that her father would know how much she  
10 paid in downpayment to purchase the property. *See* Exhibit 2 at 34:56 – 35:05.

11 17. The Debtor could not explain the discrepancy between the purchase price  
12 (\$1,600,000) and the amount of secured claim (\$17,575,173) of the Harmony Grove Property  
13 and testified that her father would know the reason for such discrepancy. *See* Exhibit 2 at 35:15-  
14 36:20.

15 18. The Debtor did not know whether she ever refinanced on the Harmony Grove  
16 Property. *See* Exhibit 2 at 38:23-38:28.

17 19. The Debtor did not know if she was current on her property tax for Harmony Grove  
18 Property. *See* Exhibit 2 at 38:51-39:00.

19 20. The Debtor did not know how many mortgages she had on the Harmony Grove  
20 Property. *See* Exhibit 2 at 39:02 – 39:13.

21 21. The Debtor did not know what the mortgage payments are on the Harmony Grove  
22 Property. *See* Exhibit 2 at 39:18-39:25.

23 22. The Debtor testified for approximately 2 hours at the Second Meeting. Exhibit 2.

24 23. The Debtor could not articulate why it was best for the Debtor to have withdrawn the  
25 opposition to the involuntary petition and move forward with this bankruptcy and did not know  
26 if she had a plan for concluding the bankruptcy case. *See* Exhibit 2 at 43:25-45:02.

27 24. The Debtor testified she did not understand this chapter 11 case. *See* Exhibit 2 at  
28 45:55-46:13.

1 25. The Debtor did not know how much downpayment she made for any of the real  
2 property listed in Schedule A. *See* Exhibit 2 at 59:22-59:30.

3 26. The Debtor could not answer basic questions regarding assets and liabilities  
4 pertaining to this case. For example, the Debtor did not know if she was current on the property  
5 tax for any of the real property listed in Schedule A. *See* Exhibit 2 at 59:50-59:58.

6 27. The Debtor could not answer questions about her assets on Schedule B such as  
7 "Notes (2)/Fallbrook CA for \$2,062,641" or whether she had taken steps to recover the amount.  
8 *See* Exhibit 2 at 1:12:43-1:13:19.

9 28. The Debtor did not know how much rent she was receiving from her own father and  
10 mother. *See* Exhibit 2 at 1:33:28-1:33:47.

11 29. The Debtor testified that her father received some profit or percentage of what the  
12 Debtor made in investing in properties in return for helping the Debtor invest in properties;  
13 however, she did not know how much money her father actually received from the Debtor for his  
14 help in Debtor's investment in properties. *See* Exhibit 2 at 1:16:59-1:17:50.

15 30. The Debtor did not know why she listed her father, Ray Gray, on Schedule F for  
16 \$18,100,000. *See* Exhibit 2 at 1:26:55-1:27:05.

17 31. The Debtor could not explain what happened to approximately \$21,000 in cash; she  
18 could not explain why she disclosed she had \$25,641 of cash in Schedule B when her Debtor-in-  
19 Possession bank account reflects she only had approximately \$4,000. *See* Exhibit 2 at 1:56:38-  
20 1:57:30.

21 32. The Debtor testified that she had \$4,657.40 in the Debtor-in-Possession bank account  
22 as of the date of the Second Meeting. *See* Exhibit 2 at 1:20:47-1:21:23.

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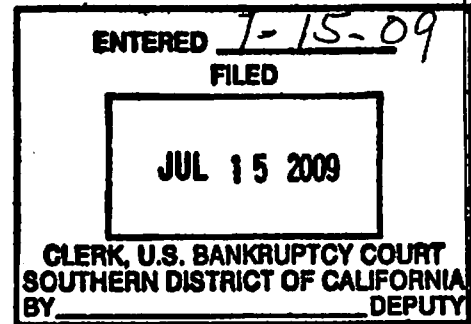
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1 33. On or about October 16, 2009, the Debtor filed an Opposition to Motion for Relief  
2 from Automatic Stay ("Opposition to Relief from Stay") as Docket #69. *Id.* The declaration in  
3 support of the Opposition to Relief from Stay was signed by the Debtor's father, Ray Gray, and  
4 the Debtor did not provide any declaration. Attached hereto as **Exhibit 3** is a true and correct  
5 copy of the Opposition to Relief from Stay that is filed as Docket #69.

6 I declare under penalty of perjury that the foregoing statements are true and correct to the  
7 best of my knowledge, information and belief. Executed this 18th day of October, 2009 in San  
8 Diego, California.

9 /s/Shannon Vencill   
10 Shannon Vencill,  
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 Fax: (619) 236-0230  
 Email: Tom@tcnlaw.com

Attorney for Debtor TESLA GRAY

**UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF CALIFORNIA**

In re TESLA GRAY,  
 Debtor.

) Case No: 08-10753-LA11  
 ) Judge Louise DeCarl Adler  
 ) Petition for Involuntary Chapter 11

*(Signature)* ~~PROPOSED~~ ORDER ON THE JOINT  
 MOTION FOR WITHDRAWAL OF  
 DEBTOR'S OBJECTIONS TO  
 INVOLUNTARY PETITION AND FOR  
 ENTRY OF AN ORDER FOR RELIEF  
 UNDER CHAPTER 11 [11 U.S.C. §303]

On the Joint Motion for Withdrawal of Debtor's Objections to Involuntary Petition and  
 for Entry of an Order for Relief Under Chapter 11, and good cause appearing,

IT IS HEREBY ORDERED that:

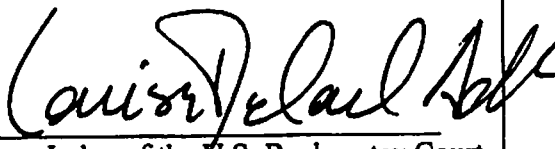
1. Debtor Tesla Gray may seek relief under Chapter 11 of the United States  
 Bankruptcy Code;

2. The July 15, 2009 trial date on the Petition for Involuntary Chapter 11 is hereby vacated;

3. Debtor Tesla Gray shall file and serve her Schedules, Statements and List of Creditors pursuant to Local Bankruptcy Rule 1007-2 on or before July 30 2009;

IT IS SO ORDERED.

Dated: 15 July 09


By:   
Judge of the U.S. Bankruptcy Court

Signature by the attorney constitutes a certification under Fed. R. Bankr. P. 9011 that the relief provided by the order is the relief granted by the court.

Submitted by:

CATALANO & CATALANO

Dated: July 14, 2009

By:   
Patrick E. Catalano  
Mark Adams Poppett  
Attorneys for Petitioners  
JOHN MONTGOMERY and  
NANCY MONTGOMERY

THOMAS C. NELSON, ATTORNEY AT  
LAW

Dated: July \_\_, 2009

By: \_\_\_\_\_  
Thomas C. Nelson  
Attorney for Debtor  
TESLA GRAY

JUL-14-2009 14:24 From: CHITLA SD

1519233941

To: 92360230

P.2/2

1           2.     The July 15, 2009 trial date on the Petition for Involuntary Chapter 11 is hereby  
2 vacated;

3           3.     Debtor Tesla Gray shall file and serve her Schedules, Statements and List of  
4 Creditors pursuant to Local Bankruptcy Rule 1007-2 on or before \_\_\_\_\_  
5 2009;

6           IT IS SO ORDERED.  
7

8  
9 Dated: \_\_\_\_\_


By: \_\_\_\_\_  
Judge of the U.S. Bankruptcy Court

10  
11  
12 Signature by the attorney constitutes a certification under Fed. R. Bankr. P. 9011 that the relief  
13 provided by this order is the relief granted by the court.  
14

15  
16 Submitted by:

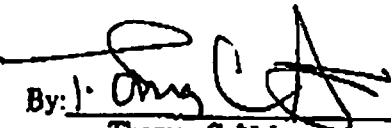
17 CATALANO & CATALANO  
18

19 Dated: July 14, 2009

20 By:   
Patrick E. Catalano  
Mark Adams Poppett  
Attorneys for Petitioners  
JOHN MONTGOMERY and  
NANCY MONTGOMERY  
21  
22  
23

24 THOMAS C. NELSON, ATTORNEY AT  
LAW

25  
26 Dated: July 14, 2009

27 By:   
Thomas C. Nelson  
Attorney for Debtor  
TESLA GRAY  
28



## Exhibit 2

Exhibit 2 is a CD containing the recording of the 11 U.S.C. § 341(a) Meeting of Creditors conducted on September 22, 2009 in Gray, Case No. 08-10753-LA11. A CD is filed with the Bankruptcy Court and is available at the Court Clerk's Office.

## Exhibit 2

CSD 1161 (05/15/03)

Name, Address, Telephone No. &amp; I.D. No.

Thomas C. Nelson CSB 82506  
 550 West C Street, Suite 1850  
 San Diego, CA 92101  
 (619) 236-1245

## UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA

325 West "F" Street, San Diego, California 92101-6991

In Re

TESLA GRAY

Debtor.

BANKRUPTCY NO. 08-10753-LA11

Wells Fargo Bank, N.A. as the Indenture Trustee, etc.

Moving Party

RS NO. PD1

Tesla Gray

Respondent (s)

Hearing Date: October 29, 2009

Hearing Time: 2:30 p.m.

## OPPOSITION TO MOTION FOR RELIEF FROM AUTOMATIC STAY

☒ REAL PROPERTY ☐ PERSONAL PROPERTY

Respondent in the above-captioned matter moves this Court for an Order denying relief from the automatic stay on the grounds set forth below.

1. A Petition under Chapter ☐ 7 ☒ 11 ☐ 12 ☐ 13 was filed on 9/30/2009.
2. Procedural Status:
  - a. ☒ Name of Trustee Appointed (if any): None-Debtor in Possession
  - b. ☐ Name of Attorney of Record for Trustee (if any):
  - c. ☐ \*Prior Filing Information:  
 Debtor has previously filed a Bankruptcy Petition on: \_\_\_\_\_  
 If applicable, the prior case was dismissed on: \_\_\_\_\_
  - d. ☐ (If Chapter 13 case): Chapter 13 Plan was confirmed on \_\_\_\_\_ or a confirmation hearing is set for \_\_\_\_\_.
3. \*Number of unsecured creditors 19. Amount of unsecured debt \$ 28,253,538.00.
4. \*Last operating report filed: N/A
5. \*Disclosure statement: Filed? (yes/no) No. Approved? (yes/no) No.  
 If yes, date of plan confirmation hearing: \_\_\_\_\_

\*Only required if respondent is the debtor.

CSD 1161

EXHIBIT "3"

CSD 1161 (Page 2) (05/15/03)

Respondent alleges the following in opposition to the Motion:

1. ☒ The following real property is the subject of this Motion:
- a. Street address of the property including county and state:  
87-597 Farrington Highway, Wainae, HI
- b. Type of real property (e.g., single family residence, apartment building, commercial, industrial, condominium, unimproved):  
5,000 square foot custom home with swimming pool on 1/2 acre beachfront lot
- c. Legal description of property is attached as Exhibit A.
- d. \*\*Fair market value of property: \$3,500,000.00.
- e. \*\*Nature of Respondent's interest in the property: Fee simple ownership
2. ☐ The following personal property is the subject of this Motion (*describe property*):
- a. \*\*Fair market value of property: \$\_\_\_\_\_.
- b. \*\*Nature of Respondent's interest in the property:
3. Status of Movant's loan:
- a. Balance owing on date of Order for Relief: \$ 1,582,189.40
- b. Amount of monthly payment: \$ 8,889,242.00
- c. Date of last payment: 4/1/2008
- d. If real property,
- (1) Date of default: 5/1/2008
- (2) Notice of Default recorded on: N/A
- (3) Notice of Sale published on: N/A
- (4) Foreclosure sale currently scheduled for: N/A
- e. If personal property,
- (1) Pre-petition default: \$\_\_\_\_\_ No. of months: \_\_\_\_\_
- (2) Post-petition default: \$\_\_\_\_\_ No. of months: \_\_\_\_\_
4. (If Chapter 13 Case, state the following:)
- a. Date of post-petition default: asdfasdfsdf
- b. Amount of post-petition default: \$\_\_\_\_\_
5. Encumbrances:
- a. Voluntary encumbrances on the property:

Lender Name	Principal Balance	Pre-Petition Arrearages Total Amount - # of Months		Post-Petition Arrearages Total Amount - # of Months	
1st: Wells Fargo Bank	1,437,651.25	48,541.30	6	80,031.78	9
2nd:					
3rd:					
4th:					
Totals for all Liens:	\$ 1,437,651.25	\$ 48,541.30		\$ 80,031.78	

\*\*Separately filed Declaration required by Local Bankruptcy Rule 4001-4.

CSD 1161

CSD 1161 (Page 3) [05/15/03]

- b. ☐ Involuntary encumbrances of record (e.g., tax, mechanic's, judgment and other liens, lis pendens):  
☐ See attached page, if necessary.

6. Relief from the automatic stay should not be granted because:

- a. ☒ Movant's interest in the property described above is adequately protected.
- b. ☒ Debtor has equity in the property described above and such property is necessary to an effective reorganization.
- c. ☒ The property is not "single asset real estate", as defined in 11 U.S.C. § 101(51B).
- d. ☐ The property is "single asset real estate", as defined in 11 U.S.C. § 101(51B), and less than 90 days (or \_\_\_\_\_ days ordered by this court) have passed since entry of the order for relief in this case, or
- (1) the Debtor/Trustee has filed a plan of reorganization that has a reasonable possibility of being confirmed within a reasonable time; or
- (2) the Debtor/Trustee has commenced monthly payments to each creditor whose claim is secured by the property (other than a claim secured by a judgment lien or by an unmatured statutory lien) which payments are equal to interest at a current fair market rate on the value of each creditors' interest in the property.
- e. ☐ Other (specify): ☐ See attached page.

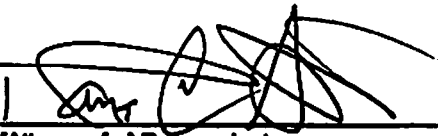
When required, Respondent has filed a separate Declaration pursuant to Local Bankruptcy Rules 4001-4.

Respondent attaches the following:

1. ☒ Other relevant evidence:  
Exhibits 1 and 2
2. ☐ (Optional) Memorandum of points and authorities upon which the responding party will rely.

WHEREFORE, Respondent prays that this Court issue an Order denying relief from the automatic stay.

Dated: 10/14/2009

  
\_\_\_\_\_  
[Attorney for] Respondent

Order No. 315730 - A

EXHIBIT *A*

*cl*

All of that certain parcel of land situate at Lualualei, District of Waianae, City and County of Honolulu, State of Hawaii, described as follows:

Lot 4, area 20,922 square feet, more or less, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1827 of Mokuleia Ranch and Land Company, Limited.

*cl* Being all of the property described in and covered by Transfer Certificate of Title No. 776,585

Tax Map Key: 8-7-028-012

*22*

1 THOMAS C. NELSON (Cal. Bar No.82506)  
 2 550 West C Street, Ste. 1850  
 3 San Diego, CA 92101  
 4 (619) 236-1245 phone  
 5 (619) 236-0230 fax  
 6 tom@tcnlaw.com

7 Attorney for Debtor

8 UNITED STATES BANKRUPTCY COURT  
 9 SOUTHERN DISTRICT OF CALIFORNIA

10 In Re: ) Case No. 08-10753-LA11  
 11 ) RS No. PD1  
 12 )  
 13 TESLA GRAY, ) Chapter 11  
 14 )  
 15 Debtor ) DECLARATION OF RAY GRAY  
 16 ) IN OPPOSITION TO  
 17 ) MOTION FOR RELIEF FROM STAY  
 18 ) BY WELLS FARGO BANK, N.A.

18 WELLS FARGO BANK, N.A. AS ) Date: October 29, 2009  
 19 INDENTURE TRUSTEE UNDER THE ) Time: 2:30 p.m.  
 20 INDENTURE RELATING TO IMH ) Dept: Two (Room 118)  
 21 ASSETS CORP. COLLATERALIZED )  
 22 ASSET-BACKED BONDS, )  
 23 SERIES 2005-6, )

24 Movant,

25 vs.

26 TESLA GRAY, et al,

27 Respondents  
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1  
2 Ray Gray declares:

3 1. I am over the age of 18. I am the father of Tesla Gray, the Debtor in this  
4 proceeding. I also manage the Debtor's real estate investments, including the property  
5 located at 87-597 Farrington Highway, Waianae, Hawaii (the "Property"). I am  
6 personally acquainted with the Property, having negotiated the Debtor's purchase of it  
7 and having managed the Property on the Debtor's behalf since she acquired it.

8 2. I have been in the real estate business as my primary occupation for more  
9 than 35 years. During that time, I have bought and sold both undeveloped and developed  
10 residential and commercial real properties; acquired undeveloped land, obtained  
11 development entitlements and then sold to builders; acquired existing properties,  
12 including single-family residences such as the Property, remodeled and sold them, among  
13 other aspects of the real estate business. I have, either personally or through entities I  
14 control, bought as investment and then sold at least ten (10) single-family residences in  
15 Hawaii. I am very conversant with evaluating the market value of real estate, such as the  
16 Property, using comparable sales and listings since I have been doing that for over 35  
17 years, to make investment decisions on my own behalf and for others, including the  
18 Debtor.

19 3. The Property is nearly one-half acre in size and is located on the Pacific  
20 Ocean on the island of Oahu. It has a sandy beach, and the property lines actually extend  
21 beyond the beach into the ocean. It is improved with a custom-built home consisting of  
22 approximately 5,000 square feet when the temperature-controlled wine cellar is included.  
23 The Buyer's Opinion submitted by Wells Fargo Bank, N.A., as the Indenture Trustee  
24 under the Indenture Relating to IMH Assets Corp. Collateralized Asset-Backed Bonds,  
25 Series 2005-6 ("Wells" or the "Movant") describes the home on the Property as having  
26 4,957 square feet, but that only includes the portion of the home which is above grade.  
27 The temperature-controlled wine cellar is below grade. The home has 7 bedrooms and  
28 5.5 bathrooms on two floors, and a "safe room" to protect residents from hostile

1 intruders. The Property also includes a custom-built swimming pool and Jacuzzi. A  
2 photograph depicting the view from the living room, across the grass lawn to the sandy  
3 beach and the ocean, is attached as Exhibit 1.

4 4. The "comparable" sales and listings described in Exhibit E of Movant's  
5 papers are not truly comparable: they are all much smaller in lot size (ranging from .143  
6 acres to .401 acres) than the subject Property, and the homes located on them are also  
7 much smaller in size (832 square feet to 3,261 square feet) as compared with the 5,000  
8 square foot home on the Property. None of the "comparables" has a pool, whereas the  
9 Property features a custom-built swimming pool.

10 5. Attached as Exhibit 2 is a print out I obtained from the Multiple Listing  
11 Service for Hawaii describing a sample of six (6) properties currently listed for sale  
12 which are more comparable to the Property. All are beachfront properties, and all but  
13 one are improved with homes approximately the same size as the one located on the  
14 Property. The listing prices range from \$3,495,000.00 to 8,900,000.00. Based on my  
15 experience in buying and selling single-family homes in Hawaii, as well as my review of  
16 current listings including those attached as Exhibit 2, my opinion is that the Property is  
17 worth at least \$3,500,000.00.

18 6. The comparable described as Sale 1 in Exhibit E to Movant's papers  
19 supports that estimate of value. Sale 1 is a property located at 84-897 Farrington  
20 Highway, which is 4.57 miles from the subject Property. The home on the property is 61  
21 years old and 832 square feet in size, which is twice as old and less than 20% the size of  
22 the home located on the Property. The size of the lot is .388 acres or about 20% smaller  
23 than the Property. It does not have a swimming pool. Despite the very significant  
24 differences between the two, the property described as Sale 1 sold for \$1,390,000.00 just  
25 over one year ago; just \$160,000.00 less than the value attributed to the Property by  
26 Movant. Given the size and age of the improvements, it is likely that the sales price was  
27 based primarily on the value of the lot alone. Since the Property has a 5,000 square foot  
28



1 custom-built home and pool, it is clearly worth significantly more than the one described  
2 as Sale 1.

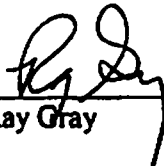
3 7. Listing 3 described in Exhibit E to Movant's papers also supports that  
4 estimate of value. Listing 3 is a property located at 87-619 Farrington Highway, which is  
5 very close to the subject Property. I have personal knowledge of that property since I  
6 have been there and seen the entire property, including an inspection of the home located  
7 on it. The house is a prefabricated "package" structure that is 3261 square feet in size, as  
8 compared with the 5,000 square foot custom home located on the Property. The size of  
9 the lot is .399 acres or about 17% smaller than the Property. It does not have a swimming  
10 pool. Although the lot and house are smaller, the house is a prefabricated "package"  
11 structure and there is no pool, the listing price is \$1,475,000.00; \$75,000.00 less than the  
12 value attributed to the Property by Movant. The Property is also clearly worth  
13 significantly more than the one described as Listing 3.

14 8. There is another aspect of the Property which differentiates it from those  
15 described by Movant. The Debtor owns the adjacent property as well. The Debtor is  
16 privately marketing both properties as a "compound" consisting of a full acre of  
17 beachfront land, two homes and a guest house comprising thirteen bedrooms, ten  
18 bathrooms, three full service kitchens, a swimming pool and Jacuzzi. It is being offered  
19 at \$8 million. The two properties combined as one estate makes each more valuable than  
20 they are separately.

21 The foregoing is my personal knowledge. I could and would so testify if called as  
22 a witness.

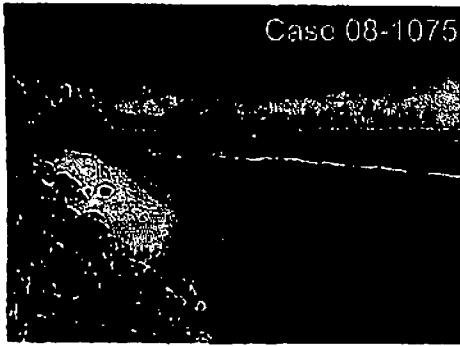
23 Signed on October 14, 2009, at Fallbrook, California.

24 I declare under penalty of perjury under the laws of the United States of America  
25 that the foregoing is true and correct.

26  
27   
28 Ray Gray

## **EXHIBIT 1**

Case 08-10753-CL7 Filed 11/04/09 Entered 11/05/09 15:14:17 Doc 78-1 Pg. 19 of



Single Family  
ML#: 2901561 stat Active

Doc 69 Pg. 10 of 11

List: \$4,650,000\* FS - F  
Simp  
Baths: 6 / 0  
Lanah: Other  
Land: 36,325 YrBt:  
Asd Imprv: \$333,900  
Asd Land: \$3,044,600  
Asd Total: 2008  
\$3,378,700  
Tax: \$963  
Tot Mon Fee: \$0 LD: 1  
Sold: \$ SD:

1-5-5-002-034-0001 BR: 10  
55323 Kamehameha Hwy 1 Lrv: 4,936  
LAIE Stories: One  
Views: Coastline, Garden Pool: None  
Prop Cond: Excellent  
Frt: Sandy Beach Fractional: No  
Pric: 3Car+, Driveway Zoning: 05 - R-5 Residential  
Topo: Level District  
Terms: Cash, Conventional, Seller Flood: AE  
Financing DOM: 258  
LO: Island, REALTORS

Remarkable Beachfront Compound - Located on 'Bedtub Beach' a reef protected sandy bottom beach with calm waters for kayaking, fishing or snorkeling. Beach frontage 100+ linear ft, this well & gated retreat has 3 separate structures & a large grassy yard w/deck areas great for indoor/outdoor living. For family use w/capability to rent any or all 3 residences. Each residence has its own TMK.



Single Family  
ML#: 2906053 stat Active

BR: 4  
Lrv: 4,259  
Stories: Two  
Pool: Heated, In Ground, Plaster, Spa/HotTub

List: \$5,900,000 FS - F  
Simp  
Baths: 4 / 1  
Lanah: 1596 Oth  
Land: 24,682 YrBt:  
Asd Imprv: \$1  
Asd Land: \$1  
Asd Total: \$21  
Tax: \$1  
Tot Mon Fee: LD:  
\$0  
Sold: \$ SD:

1-5-5-001-014-0001  
55-135 A Kamehameha Hwy 001  
LAIE  
Views: Coastline, Mountain  
Prop Cond: Excellent  
Frt: Ocean, Sandy Beach, Waterfront  
Pric: 3Car+, Driveway, Garage  
Topo: Level  
Terms: Cash, Conventional  
LO: Eolino & Associates, Inc.

Fractional: No  
Zoning: 05 - R-5 Residential District  
Flood: AE  
DOM: 169

BRAND NEW Luxury Home with over 100ft of beautiful white, sandy beachfront. An almost private beach perfect for swimming, truly a well-kept secret. Highest quality construction, Best home in the area. Turtle Bay Resort & famous N. Shore surf nearby. Quiet country area with a waterfall hike across 1 in lush tropical rainforest. Property currently undergoing subdivision approval.



Single Family  
ML#: 2816886 stat Active

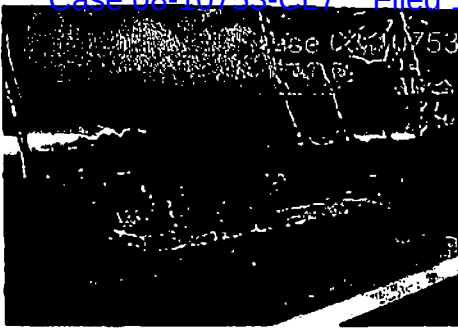
BR: 5  
Lrv: 4,129  
Stories: Two  
Pool: None

List: \$4,997,000 FS - F  
Simp  
Baths: 5 / 1  
Lanah: Other:  
Land: 46,807 YrBt:  
Asd Imprv: \$730,000  
Asd Land: \$2,766,700  
Asd Total: 2008  
\$3,486,700  
Tax: \$955  
Tot Mon Fee: \$360 LD: 1  
Sold: \$ SD:

1-5-5-003-085-0000  
58209 Napoonaia Pl  
SUNSET/VELZY  
Views: Ocean, Sunset  
Prop Cond: Excellent  
Frt: Ocean  
Pric: 3Car+, Driveway, Garage  
Topo: Level  
Terms: Cash, Conventional  
LO: Paradise Real Estate Hawaii

Fractional: No  
Zoning: 05 - R-5 Residential District  
Flood: A  
DOM: 358

UNBELIEVABLE!! A full acre beachfront! White sand, palm trees, turquoise sea, cool breeze... All this along with custom designed 4 bed/4.5 bath main



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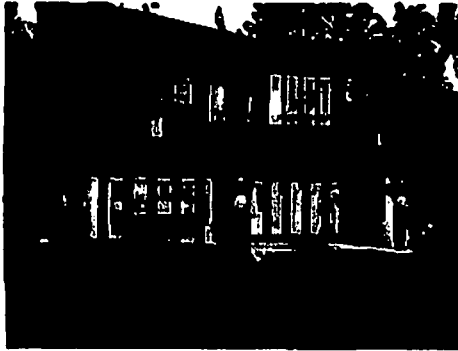
1-5-9-020-019-0000  
59-329 Ke Nui Rd BAC  
SUNSET AREA  
Views: Ocean, Sunset  
Prop Cond: Above Average  
Frnt: Ocean, Sandy Beach, Waterfront  
Prk: 2Car, 3Car+, Carport, Driveway

Topo: Level  
Terms: Cash, Conventional  
LO: Realty Executives Oahu

BR: 4  
Liv: 2,068  
Stories: Split Level, Two  
Pool: In Ground  
Fractional: No  
Zoning: 05 - R-5 Residential District  
Flood: VE  
DOM: 301

List: \$3,485,000  
Baths: 2 / 0  
Lanai: 440  
Land: 9,382  
Asd Imprv: \$221,600  
Asd Land: \$3,252,800  
Asd Total: \$3,474,800  
Tax: \$984  
Tot Mon Fee: \$0  
Sold: \$  
LD: 12/18/2008  
SD:

Two Beachfront attached North Shore Homes on large grass lot. 4 Bedrooms, 2 Bath & Now sparkling tile saltwater pool. Famous surf spots Pipeline, Rocky Point & Pupulea in front. Complete remodel in 2009 with wood floors, kitchen cabinets, granite counters, stainless appliance, new bath vanities & tile. New quartzite stone tile pool deck. Beautiful 100x40ft oceanfront grass yard. Buy one home for \$2mm with sl.



#### Single Family

ML# 2903833 stat Active

1-5-9-003-026-0002  
59-615 Ke Ili Rd B  
SUNSET AREA  
Views: Coastline, Garden  
Prop Cond: Excellent  
Frnt: Ocean, Preservation, Sandy Beach, Waterfront  
Prk: 3Car+, Driveway, Garage

Topo: Gentle Slope, Level  
Terms: Cash, Conventional, PWM, Seller Financing  
LO: Realty Executives Oahu

BR: 4  
Liv: 5,303  
Stories: Split Level, Two  
Pool: None  
Fractional: No  
Zoning: 05 - R-5 Residential District  
Flood: X  
DOM: 213

List: \$4,185,000\*  
Baths: 3 / 2  
Lanai: 1897  
Land: 14,908  
Asd Imprv: \$80,100  
Asd Land: \$2,188,800  
Asd Total: \$2,248,900  
Tax: \$532  
Tot Mon Fee: \$0  
Sold: \$  
LD: 3/18/2009  
SD:

Oceanfront Masterpiece under construction. Spectacular architecture & unsurpassed design lets you connect to nature. Exotic woods, indoor planters, entry waterfall, skylights and ample use of stone & marble create a tropical ambience. Breathtaking ocean views with steps to white sand beach. Seasonal whale watching & daily sunsets. Separate CPR 2BR Cottage also available to create estate.



#### Single Family

ML# 2912370 stat Active

1-4-3-022-013-0002  
57A Kailuana PIA-2  
BEACHSIDE  
Views: Coastline, Mountain  
Prop Cond: Excellent  
Frnt: Ocean, Sandy Beach, Stream/Canal, Waterfront  
Prk: 3Car+, Garage, Street

Topo: Level  
Terms: Cash, Conventional, Exchange  
LO: CENTURY 21 Kailua Beach

BR: 5  
Liv: 4,918  
Stories: One  
Pool: In Ground, Spa/HotTub  
Fractional: No  
Zoning: 03 - R10 - Residential District  
Flood: X  
DOM: 29

List: \$8,800,000  
Baths: 5 / 1  
Lanai: 1942  
Land: 27,975  
Asd Imprv: \$1,244,100  
Asd Land: \$3,379,300  
Asd Total: \$4,623,400  
Tax: \$1827  
Tot Mon Fee: \$0  
Sold: \$  
LD: 8/18/2009  
SD:

Absolutely stunning Plantation style luxury. Fronting 2 miles of the best white sand beach in the world. Exotic courtyard entry w/rock pool & waterfall. Awesome views incl ocean, coastline, Molokai Isles, Koolau Mountains. Very private in an upscale neighborhood. Sq. footage may differ from tax office.